SENATE FINANCE & CLAIMS

Exhibit No. 2

Date 1-26-09

Bill No. SB 245

Sunday, January 25, 2009 8:17 AM

From: "Rob Natelson" <rgnatelson@gmail.com>

To: joebalyeat@yahoo.com

Dear Senator Balyeat:

Due to work commitments I cannot be at the hearing on SB 245, but I do support the measure. When state government makes estimates of *expenditure*, it takes account of expected changes in the economy. That's why a level of expenditure higher than in the previous budget is often considered a "zero increase," or even a "cut."

It seems to me that if we can fairly consider the expected behavior of the economy as an antecedent to settting the level of *expenses*, we should do the same when estimating the level of *revenue*. While it may be difficult to estimate how the state economy will react to a major revenue initiative, the one answer that is surely wrong is that the economy will not react at all.

There are now a host of economic tools that can assist with dynamic revenue scoring. If there ever was a reason for sticking to the obsolete static model, that reason is long gone.

Thank you for sponsoring this bill.

Sincerely,
Rob Natelson
1113 Lincolnwood
Missoula MT 59802
406-721-2277